04: CIA-RDP79R00890A000400040028-9 C BRIEFING 21 December 1954 SOVIET REACTE SERMAN REARMAMENT I. Prime goal of Soviet foreign policy is to prevent agreement on Wi m rearmament: "soft" policy-might lead to more vigorous required. in being.

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TOP SECRET

- their judgment as to course which will both maintain their prestige and prevent ultimate German rearmament within NATO Alliance.
- In attempt prevent ratification Paris Agreements,

 Moscow has made series public threats:
 - To strengthen Soviet Bloc's own war machine (this may be effected propaganda-wise by budget-juggling).
 - occupation of Austria.
 - C. To scrap both Franco-Soviet and AngloSoviet treaties (military resistance against
 - German aggression).

 GeT Theops out & Tynol

 To refuse further negotiation with West.
- II. These out-in-open steps have been coupled with vigorous private pressure.

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A. Direct private pressure on French and

Austrian ambassadors; soft words to Yugo-

slavs, Indonesians, Burmese, others.

IV. Possible Soviet will make moves after ratification in order show they not bluffing and to alert waverers (particularly in France and Germany) to consequences German rearmament. Such moves

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HOP SECRET

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P79R00890A000400040028-9 Approved For Release Restrict border crossings between Wool and East Zone Germany and between Western and Eastern secto B. Put pressure on Austria (note AM press). C. Possible Communist attempts foment political strikes in France. Break off disarmament negotiations. Increase Soviet supp 25X1 ency.

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- C. On active side, can expect:
 - 1. continued harrassment offshore islands;
 - 2. Increased aid to Viet Minh.
- D. In contrast this "tough" line, Bloc will continue cultivation of Japan, India, Burma.

Indonesia.

vii. At in all, this time to be ready for surprises

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OR SECKLE

- B. Reunification Germany plus free elections, without prior with drawal occupation forces.
- C. In exchange, abandonment German rearmament

 (Germany allowed only border guards and police force and forbidden to join any military

 or economic bloc prior 1999).
- D. Establishment all-European security system, including USA, with guarantee of seutralized
- nevertheless back Peiping "tough" line in

aimed first at US, second at UK

- A. This indicated by Kreen a support of Chicom re Formosa.
- B. Can also expect project exploitation of Hammarskjold Peipileston, including:
 - 1. Piracy charges:
 - 2. Inquiry on UN distribute of POW's from Korean war.

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